Borrego Water District CORRECTED MINUTES

Regular Meeting of the Board of Directors

Wednesday, June 24, 2015 9:00 AM

806 Palm Canyon Drive Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 9:00 a.m.

B. <u>Pledge of Allegiance:</u> Those present stood for the Pledge of Allegiance.

C. Roll Call: <u>Directors:</u> Present: President Hart, Secretary/Treasurer

Tatusko, Delahay

Absent: Vice-President Brecht, Estep

Staff: Jerry Rolwing, General Manager

Kim Pitman, Administration Manager

Morgan Foley, McDougal Love Eckis Boehmer & Foley (via

teleconference, Items II.H and I)

Wendy Quinn, Recording Secretary

Public: Bob McKee Sicco Rood, UCI

Jan Naragon Jim Dice, UCI

Jeannie Beck, Borrego Sun Andrea Roess, David Taussig and

Associates, Inc.

D. Approval of Agenda: MSC: Delahay/Tatusko approving the Agenda as amended (moving Item II.M to immediately follow II.G).

E. Approval of Minutes:

Special meeting of May 19, 2015

MSC: Delahay/Tatusko approving the Minutes of the Special Meeting of May 19, 2015 as written.

Regular meeting of May 27, 2015

MSC: Delahay/Tatusko approving the Minutes of the Regular Meeting of May 27, 2015 as written.

- **F.** Comments from Directors and Requests for Future Agenda Items: None
- **G.** Comments from the Public and Requests for Future Agenda Items: Bob McKee announced that at the last Fire Board meeting, the Directors voted to reduce their compensation from \$75 per meeting to \$50. They also reported progress toward adding a second fire station with no increase in taxes or fees.

Mr. McKee referred to the Fair Political Practices Commission's Form 700, stating he had reviewed those from all current BWD Board members and felt President Hart was in closest compliance. He alleged that some income and business interests had been omitted.

Lastly, Mr. McKee proposed a change in the qualifications for BWD Board members: that they must be ratepayers within the District. He requested that this be included as a future Agenda item. President Hart explained that if this is to be part of the District's Administrative Code, it would require approval of the Board of Supervisors. Jerry Rolwing recommended discussing the matter with Morgan Foley.

H. Correspondence:

Letter from Nilsen:

Letter from B. Shain:

Mr. Rolwing reported that two letters from customers expressed concern regarding the increase in meter rates. He will respond, explaining that the District will go through a 218 process in the fall and address both meter rates and commodity rates.

II. CURRENT BUSINESS MATTERS

- **A.** Review of Special Assessments and Administration Report for Fiscal Year 2015-2016 prepared by David Taussig and Associates, Inc. for CFD No. 2007-1 presented by Andrea Roess:
- **B.** Discussion and possible approval of **RESOLUTION** #2015-06-02 **RESOLUTION** OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY:
- C. Consideration of RESOLUTION NO. 2015-06-03 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR FISCAL YEAR 2015-2016:
- D. Consideration of RESOLUTION NO. 2015-06-04 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2015-2016:
- E. Consideration of RESOLUTION NO. 2015-06-05 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016:
- F. Consideration of RESOLUTION NO. 2015-06-06 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016:
- G. Consideration of RESOLUTION 2015-06-07 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2015-2016: Ms. Roess summarized the annual special assessments and special tax levies. She explained that some Rams Hill properties continue in default, although the foreclosure proceedings have ceased. The bonds are an obligation of the District, but no payments are

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required at this time. The proposed resolutions are basically the same as last year's and will be finalized once the parcel data is available from the County.

President Hart asked whether Taussig and Associates would perform the necessary analysis if the District were to change its assessment rate. Ms. Roess replied that it was not currently in their scope of work, but that could be expanded upon request. MSC: Delahay/Tatusko adopting RESOLUTION #2015-06-02, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING STATEMENT OFINVESTMENT POLICY; RESOLUTION NO. 2015-06-03, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY **CHARGES** AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND **MAINTENANCE** OFTHE **DISTRICT** ANDREOUESTING THE LEVYCOLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR FISCAL YEAR 2015-2016; RESOLUTION NO. RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REOUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2015-2016; RESOLUTION NO. 2015-06-05, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016; RESOLUTION NO. 2015-06-06, THE BOARD OF DIRECTORS OF THE BORREGO RESOLUTION OF DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016; and RESOLUTION 2015-06-07, RESOLUTION OF THE BOARD DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2015-2016.

M. Discussion and possible approval of minimal financial assistance for purchasing four particulate monitors for UCI Steele Bernand Anza Borrego Desert Research Center's dust monitoring program for the Borrego Valley: Jim Dice and Sicco Rood from UCI addressed the Board regarding a grant which they received for seven dust particulate monitoring stations in the Borrego Valley. The data collected could be of value to the GSP, and UCI hopes BWD will participate in the project financially. Each station costs approximately \$2,500, and UCI proposed that BWD fund four. President Hart asked that the matter be included in the next workshop Agenda and that UCI submit a written cost proposal. Director Tatusko suggested that a station be added closer to the agricultural areas. Mr. Rolwing requested a map of the proposed locations.

H. <u>Discussion and possible approval of ORDINANCE No. 15-01 OF THE BOARD</u>
OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING

ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES, ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCEMENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS; and set a public hearing for July consider adoption of the ordinance: Mr. Foley joined the meeting at 9:35 a.m. via teleconference. President Hart reiterated her concerns about the time limits set forth in sections 9 through 12 of the proposed Ordinance. Mr. Foley pointed out time limits are already in place in existing policy for termination of water service for nonpayment. If termination is for other reasons, the limits set forth in the Ordinance might be more appropriate. The limits are flexible, and Mr. Rolwing stated he was comfortable with them. Mr. Foley invited the Board's attention to sections 6.A and B, Service of an Administrative Notice of Violation. Section 6.B deals with excessive water use, and 6.B applies to all other violations. Section 12 applies to both types of violation, and Mr. Foley suggested the Board may wish to amend that section to include parts A and B, consistent with section 6. With that amendment, the Board agreed that the Ordinance was acceptable as presented.

- I. Discussion of ORDINANCE No. 15-02 ORDINANCE OF THE BOARD OF **BORREGO** WATER **DISTRICT** DIRECTORS **OF** THE **ESTABLISHING** CONSERVATION **ENFORCEMENT MEASURES FOR CUSTOMERS**; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS; and set a public hearing for July, 2015 to consider adoption of the ordinance: President Hart referred to a handout setting forth Director Brecht's proposed amendments to Ordinance No. 15-02 to emphasize conservation and end use efficiency (as opposed to temporary measures addressing the drought). She suggested this distinction be clarified in the Ordinance, and noted she would be sending a copy to Mr. Foley. President Hart recommended that the "20" units be deleted from section 2.C for now, since the maximum base water usage has not yet been determined. She further recommended that the definition of "customer" in section 2.E should be consistent with the definition in Ordinance No. 15-01. President Hart reminded the public that the Board hopes to comply with the State's Executive Order through voluntary conservation, but is preparing these Ordinances in case it is not successful.
- J. <u>Discussion of Executive Oder B-29-15 regarding emergency twenty-five percent</u> (25%) mandatory water use reductions for <u>District total production from 2013 baseline production amid the current California drought including discussion of potential incentives and/or penalties to achieve water conservation targets by November 30, 2015: President Hart reminded the public that Ken Okey is available upon request to offer advice on irrigation and landscaping.</u>
- **K.** <u>Update on Waste Water Treatment Plant Solar Project and on-line solar performance monitoring:</u> Mr. Rolwing reported that he had a signed contract for the wastewater treatment plant solar project and two checks, for engineering design and racking structures. Director Tatusko noted that a performance monitoring system is included.
- L. <u>Discussion and possible approval of hiring an engineering service for the Prop 1 funding and discussion of CIP Budget:</u> Director Tatusko referred to the spreadsheet presented at the last meeting, outlining potential projects for Proposition 1 funding. Since then, the Due Diligence Committee and Mr. Rolwing met with Dudek Engineering to discuss the possibility of their assistance with this. Dudek has presented a proposal. The Committee recommends retaining Dudek, and soliciting proposals from David Dale and Jan Naragon to assist with the grant application. Discussion followed regarding Borrego's designation as a disadvantaged community, whether it could be considered severely disadvantaged based on data from the School District, and whether environmental concerns would be criteria. *MSC: Tatusko/Delahay*

approving the expenditure of a maximum of \$15,000 for the services of Dudek Engineering and other local support to begin the Proposition 1 grant submittal process.

- **N.** <u>Discussion of application process for Groundwater Sustainability Agency Status:</u> This item was deferred to the July workshop so that all Board members could be present.
- O. Review of planning calendar: Ms. Pitman announced that the auditors would be at the District office on June 30 to review inventory, and the audit will begin on August 10. President Hart suggested that review of the draft audit report be moved to October.
- Mr. Rolwing reported that Airport Access Permits could be deleted, since the District just obtained a ten-year permit.

III. STAFF REPORTS

- A. <u>Financial Reports May 2015</u>: Ms. Pitman reported that receivables are down. Today the District received a \$2,500 apportionment from property taxes and may receive one more before the end of the fiscal year. Total water revenues are down, but so are professional expenses and electricity. Mr. Rolwing reported he is investigating "demand response" electricity billing, whereby the District could save money by turning off some power during peak times of day. Mr. Pitman reported the District had paid off the \$300,000 Viking Ranch note and has approximately \$2.9 million in the bank.
- **B.** General Manager/Operations Report: Mr. Rolwing reported on an issue involving Well 10 in ID 4. It is now back on line, but the crew plans to inactivate it and replace it with a booster station, which will save electricity.

Director Tatusko recommended that Mr. Foley be asked to review the letter to high water users which is being prepared.

- C. Water and Wastewater Operations Report May 2015:
- **D.** Water Production/Use Records May 2015:

President Hart asked Mr. Rolwing to look into the terms of the District's agreement with Rams Hill. Are they allowed five wells or only four?

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

No report.

2. Due-Diligence

Director Tatusko reported that the Committee met to discuss Proposition 1 funding. Mr. Rolwing reported that he met with the Committee to discuss GSP engineering work.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee met with the County and the Borrego Water Coalition. They plan to submit a proposal for GSA status to the Board of Supervisors by fall. The County feels BWC is ideal for stakeholder input and BWD is the ideal agency to oversee the process.

4. Executive Committee

President Hart reported that the Committee had been working with Mr. Foley on resolutions and ordinances.

5. Operations & Management Committee

Director Delahay reported that the Committee had been working on engineering and Proposition 1 funding.

6. Parks Committee

No report.

7. CFD Committee

Mr. Rolwing reported that he had been discussing the CFD and bond counsel with Ms. Roess.

8. Conservation Committee

President Hart reported that Committee was working to educate the public about water conservation. They met with homeowners' associations, e-mailed restaurants and are working on the letter to high water users. Mr. Rolwing suggested contacting home caretakers, who look after residences while the owners are absent. Discussion followed concerning irrigation leaks, and whether the gardeners should be notified in addition to the customers. Mr. Rolwing will look into it.

VI. INFORMATION ITEMS

Director Tatusko distributed a news article about new home water recycling technology from Australia. He also circulated a JPIA newsletter photo of BWD Board and staff accepting their safety recognition rebate check. Lastly, Director Tatusko announced that Mr. Rolwing would be attending a Proposition 1 workshop on Sunday.

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

A. <u>Significant exposure to litigation pursuant to paragraph (2) of subdivision</u> (d) of Government Code section 54956.9. One potential case: The closed session was cancelled.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:25 a.m. The next Special Meeting of the Board of Directors is scheduled for July 14, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 22, 2015 at the Borrego Water District.